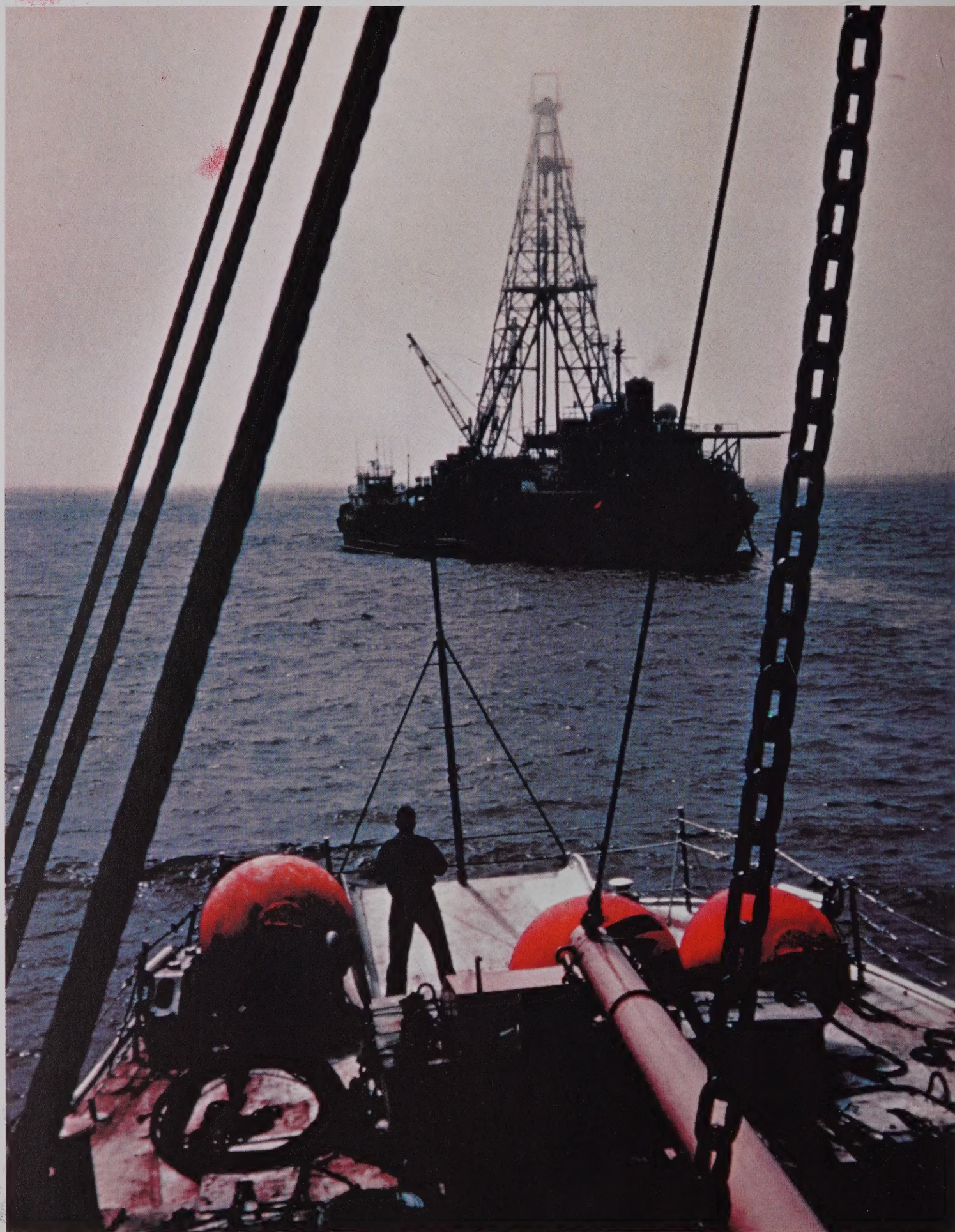




1966

ANNUAL
REPORT

File
STANDARD OIL
COMPANY < INDIANA >



The Glomar Sirte drilling vessel being approached by a supply ship on the Grand Banks off the coast of Newfoundland.

1966

ANNUAL REPORT



STANDARD OIL COMPANY <INDIANA>

THE YEAR IN BRIEF:

Financial

	1966	1965
Total revenues	\$3,351,014,000	3,063,161,000
Net earnings	\$ 255,859,000	219,272,000
Net earnings per share	\$ 3.62	3.10
Dividends paid	\$ 119,963,000	109,866,000
Dividends paid per share	\$ 1.70	1.55
Capital and exploration expenditures	\$ 569,453,000	475,485,000
Total assets	\$3,848,934,000	3,514,102,000
Book value per share	\$ 39.92	38.18
Working capital	\$ 701,898,000	550,413,000

Operating

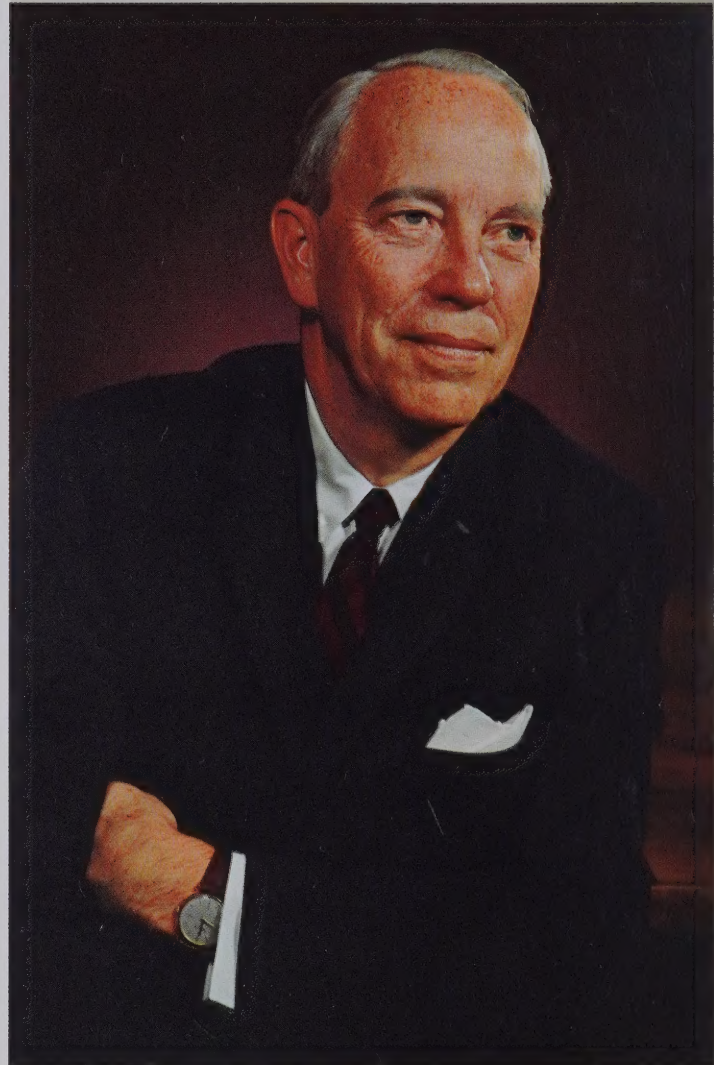
Crude oil and natural gas liquids, barrels per day —		
Net production	490,989	456,339
Refinery input	829,123	777,406
Natural gas sold, thousand cubic feet per day	2,427,132	2,244,537
Refined products sold, barrels per day	894,793	840,077

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John E. Swearingen



Robert C. Gunness

TO OUR SHAREHOLDERS:

Net earnings of Standard Oil Company (Indiana) in 1966 rose 16.7 per cent above 1965, to a record \$255.9 million. This was the eighth consecutive annual earnings increase.

On a per-share basis, earnings were \$3.62, as compared with \$3.10 in the previous year. Dividends were increased to \$1.70 per share, from \$1.55 a share paid in 1965. Like earnings, dividend payments have risen in each of the past eight years.

The rate of return on shareholders' investment was 9.3 per cent in 1966, compared with 8.3 per cent a year earlier, continuing steady progress toward a more adequate rate. We expect further improvement in 1967.

Records were set in all major operations during 1966. Net production of crude oil and natural gas liquids rose 7.6 per cent, and refinery runs were 6.7 per cent greater than in 1965. Sales of all refined products were up 6.5 per cent. Gasolines posted an 8.5 per cent sales gain, substantially greater than for the industry as a whole, while domestic prices were generally at the improved levels established in the first quarter of 1965.

Sales of natural gas and chemicals again registered excellent growth. Natural gas sales in 1966 averaged 2.4 billion cubic feet a day, a volume gain of 8.1 per cent. Sales of chemical products totaled \$158 million; this was 23 per cent greater than in 1965, and twice the level of three years ago.

Provision for further growth was also made through expansion of existing refining facilities and addition of new chemical plants.

Expansion under way at Texas City will increase crude running capacity there by nearly 70,000 barrels a day, to 240,000 barrels daily, making this our largest refinery. Among the new manufacturing facilities under construction at Texas City are a 40,000-barrel-a-day Ultraformer, a 40,000-barrel-a-day Ultracracker, and a 50,000-barrel-a-day aromatics extraction unit. Other new facilities are being added at the Whiting, Wood River, and Casper refineries.

When completed, major new domestic chemical plants will increase our productive capacity of dimethyl terephthalate and purified terephthalic acid by 400 million pounds a year; of paraxylene by 425 million pounds a year, and of trimellitic anhydride by 50 million pounds a year. Steps are also being taken to add 50 million pounds a year to our styrene monomer capacity, and a new multi-purpose additives plant is nearing completion. In response to expanding fertilizer sales, we are constructing a new 1,500-ton-a-day ammonia plant, which will be one of the world's largest when completed.

The buildup of foreign operations continued in 1966. During the year, net production of crude oil and natural gas liquids outside the United States increased to 86,000 barrels a day, and substantial further gains are in prospect for 1967. We made major natural gas discoveries in the United Kingdom area of the North Sea, found a new oil field in the Iranian portion of the Persian Gulf, and extended the limits of a major oil field discovered last year in Egypt's Gulf of Suez.

Late in the year, we negotiated a preliminary agreement with the Argentine government providing for a settlement of our contract dispute.

In chemical operations abroad, we entered into an agreement to participate in a fertilizer plant in conjunction with a new refinery at Madras, India, in which we will have an interest plus crude supply rights. The plant will be capable of producing over 600,000 tons per year of mixed and high-nitrogen fertilizers. We are also participating in a sulfur-extraction plant to be built on Kharg Island in the Persian Gulf.

We continued to build up a reserve against possible losses on foreign investments by charges against 1966 after-tax income, increasing the amount in this reserve by a net of \$11 million, to a total of \$57.5 million at year end.

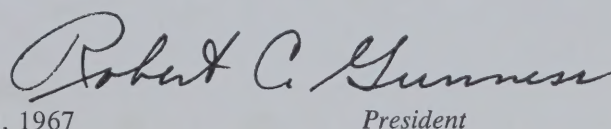
Capital and exploration expenditures in 1966 totaled \$569.5 million. These outlays were the largest in our history, and compare with \$475.5 million in 1965. Because of the many opportunities at hand for continuing profitable growth, we are budgeting even larger capital and exploration expenditures in 1967. To help finance this growth, the Company in 1966 sold \$175 million of 25-year 6 per cent debentures.

While the outlook for the total economy in 1967 is clouded by the Vietnam conflict, increases in labor costs, and probable increases in taxes, we expect the petroleum industry to perform well. Domestic prices for crude oil and refined products showed some strength during 1966, and we hope will show further improvement in 1967. We anticipate that total U.S. demand for petroleum products will rise some 3.5 per cent above the record levels set in 1966, and that Free Foreign demand will increase approximately 10 per cent. In regard to our Company, we are confident that growth in operations can be translated into a further improvement in earnings.

In a year that was marked by concentrated attacks on air and water pollution, the gasoline-powered automobile was increasingly criticized as an offender, and there was much speculation about other forms of automotive power. We are confident, however, that the internal combustion engine will remain the power plant of automobiles of the future, and that fuel losses and exhaust emissions will be brought down to satisfactory levels.

We extend our thanks to all of the people whose efforts made possible the Company's achievements of 1966, and we look forward to their continued support in 1967.


Chairman


President

March 1, 1967

FINANCIAL REVIEW

Earnings and Dividends Consolidated net earnings for 1966 were a record \$255,859,000, an increase of 16.7 per cent over 1965 net earnings of \$219,272,000. Earnings per share in 1966 were \$3.62 on 70,646,823 shares outstanding at year end, as compared with \$3.10 per share on 70,794,742 shares outstanding at the end of 1965.

Dividend payments in 1966 were increased for the eighth consecutive year, to \$1.70 per share. This amount, paid in four quarterly dividends of 42½ cents a share, compares with \$1.55 per share in 1965. In 1966, dividends totaled \$119,963,000 an increase of \$10,097,000 over total 1965 dividends of \$109,866,000.

Revenues, Costs, Expenses, and Taxes Total revenues reached \$3,351,014,000, surpassing the record established in 1965 by 9.4 per cent. Principal factors contributing to the higher revenues were increased volumes in nearly every aspect of the Company's business and generally improved product prices.

Costs, expenses, and taxes totaled \$3,095,155,000, an increase of \$251,266,000. The increase was due primarily to the higher level of operations, greater material and payroll costs, and higher taxes.

The Company continued to build up a reserve against possible future losses on foreign investments by charges against after-tax income. The amount in the reserve was increased by a net of \$11 million after write-offs resulting primarily from termination of operations in Indonesia, and the disposal of our interest in a marketing affiliate in Switzerland. This increase brought the balance in the reserve to a total of \$57.5 million at year end.

Total taxes rose to \$732 million, an increase of 8 per cent. Income, property, and other direct taxes amounted to \$134 million. In addition, excise taxes collected on the sale of products to customers amounted to \$598 million. The total of all taxes was equivalent to \$10.35 per share, more than six times dividends paid.

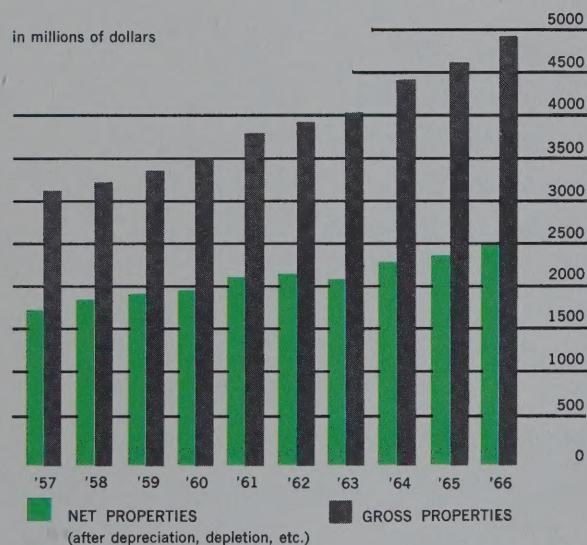
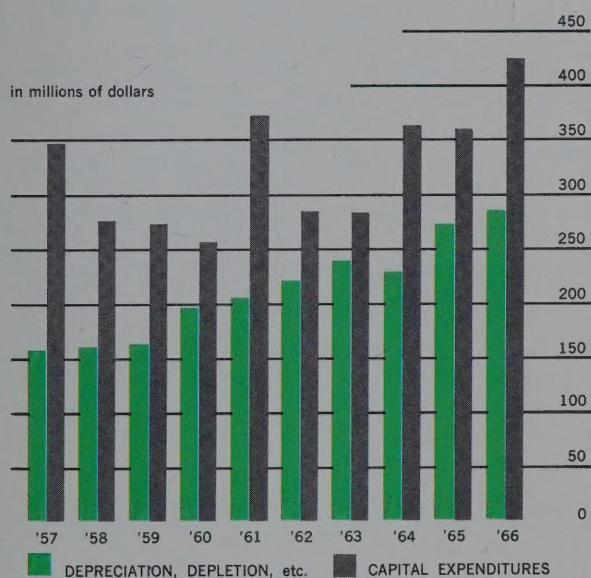
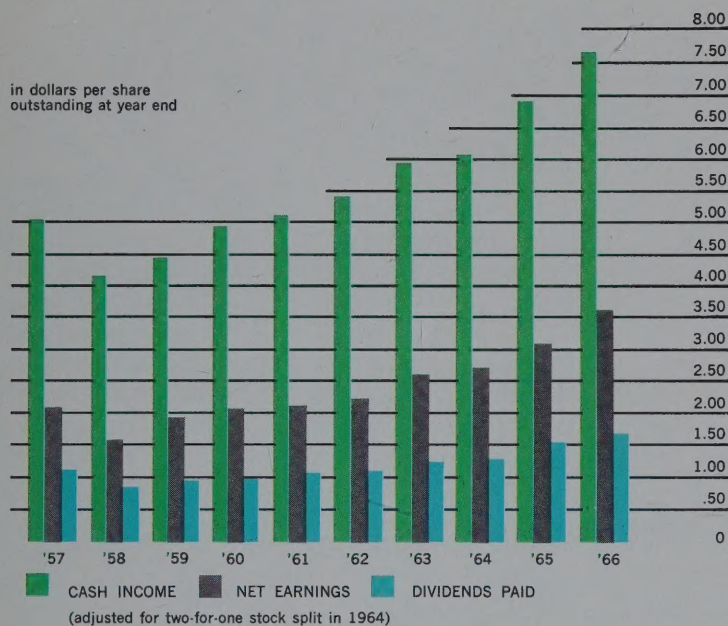
Capital and Exploration Expenditures Capital and exploration expenditures totaled \$569.5 million, the largest in the Company's history. Comparable expenditures in 1965 were \$475.5 million. The 1966 outlays included capital expenditures of \$424 million, of which 56 per cent was applicable to exploration and production activities. Exploration expenditures of \$145.5 million were charged against current income.

Indebtedness In September, the Company sold \$175,000,000 of 25-year 6% debentures. Some of the proceeds were used to retire bank loans, but for the most part they were designed to finance our continuing expansion. Primarily because of the sale of the debentures, outstanding debt at year end, including \$13 million payable in 1967, increased to \$519 million. This was \$157 million more than a year earlier. Total borrowings are now about 13 per cent of total assets.

The outstanding debt excludes \$31.1 million principal amount of debentures reacquired to meet future sinking fund payments. These consist principally of Thirty-Year 3.20% Sinking Fund Debentures of Service Pipe Line Company.

Working Capital The Company's working capital amounted to \$702 million at year end, up \$151.5 million. Current assets, which do not include investments in listed securities with a market value of \$93.1 million, were 2.45 times current liabilities, as compared with 2.29 to 1 at the end of 1965.

Cash and marketable securities were up \$89 million from the previous year end principally as the result of the Company's sale of debentures. Notes and accounts receivable from customers increased \$104 million to \$499 million, reflecting larger sales volumes and continued expansion of goods and services available to our credit card holders. Inventories of crude oil and products increased \$10 million to \$247 million. These inventories are stated at cost, mainly on the last-in, first-out method (LIFO), which is substantially below replacement cost. Materials and supplies inventories, stated at average cost or less, totaled \$42 million.



INVESTMENT IN PROPERTIES
(Thousands of Dollars)

*Capital
Expenditures — 1966*

*Investment
December 31, 1966*

*Investment
December 31, 1965*

	Amount	%	Gross	Net	%	Net	%
Production	\$236,546	56%	\$2,673,700	\$1,395,709	56%	\$1,338,073	56%
Manufacturing	25,433	6	858,334	307,281	12	318,193	14
Chemicals	71,024	17	207,904	153,442	6	98,262	4
Transportation	15,125	4	510,621	184,778	8	195,575	8
Marketing	69,773	16	642,705	423,698	17	392,264	17
Other	6,021	1	62,129	28,842	1	27,220	1
Total	\$423,922	100%	\$4,955,393	\$2,493,750	100%	\$2,369,587	100%

CONSOLIDATED STATEMENTS Standard Oil Company<Indiana> and Subsidiaries

For the Years 1966 and 1965

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1966	1965
Source of Funds		
Net earnings	\$255,859,000	\$219,272,000
Depreciation, depletion, amortization, retirements, and abandonments	282,943,000	270,527,000
	538,802,000	489,799,000
New borrowings	175,000,000	25,000,000
Miscellaneous	27,402,000	21,044,000
Total	\$741,204,000	\$535,843,000
Application of Funds		
Capital expenditures	\$423,922,000	\$356,040,000
Dividends paid	119,963,000	109,866,000
Repayments on borrowings	18,684,000	15,166,000
Increase in working capital	151,485,000	38,269,000
Miscellaneous	27,150,000	16,502,000
Total	\$741,204,000	\$535,843,000

REPORT OF INDEPENDENT ACCOUNTANTS

Price Waterhouse & Co.

TO THE BOARD OF DIRECTORS OF
STANDARD OIL COMPANY (INDIANA)

In our opinion, the accompanying consolidated balance sheet, the related statements of earnings and shareholders' ownership and the statement of source and application of funds present fairly the financial position of Standard Oil Company (Indiana) and its consolidated subsidiary companies at December 31, 1966, and the results of their operations and the supplementary information on funds for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Chicago, Illinois
February 24, 1967

Price Waterhouse & Co.

CONSOLIDATED STATEMENT OF EARNINGS

Revenues:

	1966	1965
Sales and other operating revenues (including excise taxes)	\$3,306,780,000	\$3,025,346,000
Dividends, interest, and other income	44,234,000	37,815,000
Total revenues	3,351,014,000	3,063,161,000

Costs, Expenses, and Taxes:

Purchased crude oil, petroleum products, merchandise, and operating expenses ..	1,471,998,000	1,358,499,000
Exploration expenses, including dry hole costs	145,531,000	119,445,000
Selling and administrative expenses	438,313,000	395,711,000
Taxes	731,543,000	678,263,000
Depreciation, depletion, amortization, retirements, and abandonments	282,943,000	270,527,000
Interest expense	19,284,000	16,047,000
Income applicable to minority interest	5,543,000	5,397,000
Total costs, expenses, and taxes	3,095,155,000	2,843,889,000

Net Earnings	\$ 255,859,000	\$ 219,272,000
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CONSOLIDATED STATEMENT OF SHAREHOLDERS' OWNERSHIP

	Capital Stock		Earnings Retained and Invested in the Business	Treasury Shares at Cost	Total
	Par Value	Capital in Excess of Par Value			
Balance at December 31, 1965.	\$913,418,000	\$79,196,000	\$1,787,976,000	\$(77,957,000)	\$2,702,633,000
Net earnings			255,859,000		255,859,000
Cash dividends at \$1.70 a share			(119,963,000)		(119,963,000)
Adjustment arising from acquisition of pooled companies		(2,769,000)	(5,690,000)	13,715,000	5,256,000
Acquisitions and other disposals of treasury shares (net)				(23,440,000)	(23,440,000)
Balance at December 31, 1966.	\$913,418,000	\$76,427,000	\$1,918,182,000	\$(87,682,000)	\$2,820,345,000

The Notes on page 10 are an integral part of these statements.

CONSOLIDATED BALANCE SHEET Standard Oil Company (Indiana) and Subsidiaries

December 31, 1966 and 1965

ASSETS	1966	1965
Current Assets		
Cash	\$ 110,122,000	\$ 109,680,000
U.S. Government and other marketable securities — at cost, which approximates market.....	276,032,000	187,113,000
Accounts and notes receivable.....	499,080,000	395,373,000
Inventories —		
Crude oil and products — at cost (mainly LIFO), below market.....	247,487,000	237,593,000
Materials and supplies — at or below cost.....	41,974,000	35,985,000
Prepaid expenses.....	12,491,000	11,325,000
	1,187,186,000	977,069,000
Investments and Sundry Assets		
Listed securities — at cost..... (comprising at December 31, 1966, 1,439,905 shares of Standard Oil Company (New Jersey) and other securities, the total having a quoted market value of \$93,150,000)	14,865,000	14,865,000
Investments held for operating purposes — at cost.....	82,003,000	90,154,000
Long-term receivables and sundry assets..... (including at December 31, 1966, installment notes receivable of \$93,474,000 from sale, in 1960, of certain gas and oil properties less deferred income of \$84,629,000)	71,130,000	62,427,000
	167,998,000	167,446,000
Properties — at cost, less depreciation, depletion, and amortization.....	2,493,750,000	2,369,587,000
	\$3,848,934,000	\$3,514,102,000
<i>The summary of properties on page 5 and the Notes on page 10 are an integral part of these statements.</i>		

LIABILITIES AND SHAREHOLDERS' OWNERSHIP	1966	1965
Liabilities Payable Within One Year		
Loans and debentures.....	\$ 12,663,000	\$ 11,980,000
Accounts payable.....	366,559,000	305,551,000
Taxes payable (including income taxes).....	106,066,000	109,125,000
	485,288,000	426,656,000
Long-Term Debt	506,297,000	349,981,000
Total liabilities.....	991,585,000	776,637,000
Minority Interest in Subsidiary Companies	37,004,000	34,832,000
Shareholders' Ownership		
Capital stock — authorized — 100,000,000 shares; issued — 73,073,483 shares Par value at \$12.50 per share.....	913,418,000	913,418,000
Capital in excess of par value.....	76,427,000	79,196,000
Earnings retained and invested in the business.....	1,918,182,000	1,787,976,000
	2,908,027,000	2,780,590,000
Less — Capital stock held in treasury — 2,426,660 shares in 1966 and 2,278,741 shares in 1965 — at cost.....	87,682,000	77,957,000
Total shareholders' ownership.....	2,820,345,000	2,702,633,000
	\$3,848,934,000	\$3,514,102,000

NOTES TO FINANCIAL STATEMENTS

Principles of Consolidation The accounts of all domestic and foreign subsidiaries in which Standard Oil Company (Indiana) directly or indirectly owns more than 50 per cent of the voting stock are included in the consolidated financial statements, with the exception of Pan American Argentina Oil Company and an insurance company, Imperial Casualty and Indemnity Company. The investments in these two companies are included in "Investments held for operating purposes" in the balance sheet. Consolidated financial statements include results of operations for the year 1966 of companies acquired in pooling of interest transactions. Results for the year 1965 have not been restated to reflect the poolings retroactively since the effect is not material.

Foreign currency items have been translated to U.S. dollars at appropriate rates of exchange.

Long-Term Debt	1966 (Thousands of dollars)	1965
Standard Oil Company (Indiana) —		
6% Debentures due 1971 to 1991 . . .	\$175,000	\$ —
4½% Debentures due 1968 to 1983 . . .	173,755	180,490
3% Debentures due 1968 to 1979 . . .	22,600	23,370
2.90% — 3½% Promissory Notes due 1968 to 1979	63,020	68,167
Service Pipe Line Company —		
Thirty Year 3.20% Debentures due 1982, exclusive of \$30,674,000 principal amount repurchased as of December 31, 1966	25,326	27,144
Amoco Oil Holdings S.A. —		
5¾% Guaranteed Bonds Series A due 1985	25,000	25,000
Calumet Nitrogen Products Company —		
3½% Debentures due 1968 to 1980 . . .	9,400	10,125
All other indebtedness	12,196	15,685
Total long-term debt	\$506,297	\$349,981

Incentive Stock Option Plans Under incentive stock option plans, key employees have been granted options to purchase shares of the Company's stock. The price of shares under options granted before May 2, 1963, is 95 per cent of the fair market value on the granting date, and the options normally extend for 10 years. The price of shares under options granted after May 2, 1963, is 100 per cent of the fair market value on the date of grant, and these options normally extend for 5 years. Shares provided when options are exercised may be taken from authorized but unissued stock or may be reacquired shares. No options may be granted after May 1, 1973.

On January 1, 1966, options for 685,142 shares were outstanding under the plans. Options for 108,615 shares were exercised

during the year at prices ranging from \$18.69 to \$39.00 per share. Options for 24,200 shares expired or were canceled. New options were granted for 272,800 shares at a price of \$45.375 per share. At the close of 1966, options for 825,127 shares were held by 298 executives; 74,090 shares were available for future grants.

Contingent Liabilities and Commitments In 1963, the Federal Power Commission asserted jurisdiction over the price at which certain producing properties were sold in 1960 without its sanction. In June, 1965, the U.S. Supreme Court held that the sale was subject to FPC regulation. The matter is now pending before a trial examiner. It is anticipated that regulation of the sales price will not have a material effect on the Company's financial position.

On December 31, 1966, the Company had long-term leases extending beyond one year covering various service stations, tankers, office buildings, and other facilities, substantially all of which expire within 15 years. Annual rentals payable under these leases, without reduction for related rental income, are estimated at \$47,655,000.

The Company is contingently liable as guarantor on outstanding loans of others in the amount of \$22,318,000. Also, under long-term agreements with certain companies in which stock interests are held, the Company has guaranteed specified revenues from product shipments, and, under certain conditions, is obligated to provide funds to maintain working capital at specified minimums. No loss is anticipated from these obligations.

At year end, the Company had substantial commitments entered into in the normal course of business for the acquisition or construction of facilities.

Taxes Taxes charged to income totaling \$731,543,000 for 1966 and \$678,263,000 for 1965 are shown on the Consolidated Statement of Earnings on page 7. The principal taxes, which include excise taxes on products sold, are shown in the table below.

	1966 (Thousands of dollars)	1965
Excise taxes	\$598,249	\$553,358
Property taxes	39,148	37,003
Production taxes	24,823	23,424
Federal and other taxes on income	44,672	43,826
Other taxes (social security taxes, corporation taxes, inspection fees, import duties, etc.)	24,651	20,652
Total taxes	\$731,543	\$678,263

PRINCIPAL SUBSIDIARIES AND AFFILIATES Standard Oil Company<Indiana>

	<i>Principal business</i>	<i>Principal areas of operation</i>	<i>Per cent owned</i>
North America			
American Oil Company	Refining, transportation, and marketing	United States	100
Pan American Petroleum Corporation	Exploration and production	United States and Canada	100
Pan American Gas Company	Purchase, transportation, and sale of natural gas	Texas, New Mexico	100
Midwest Oil Corporation	Exploration and production	United States and Canada	52
Service Pipe Line Company	Pipeline transportation	United States	100
Amoco Chemicals Corporation	Manufacture and sale of chemical products	United States	100
Calumet Nitrogen Products Company	Manufacture of nitrogen products	Indiana	55
Tuloma Gas Products Company	Marketing of LP-Gas; manufacture and sale of fertilizers	United States	100
Imperial Casualty and Indemnity Company	Insurance	United States	100
American International Oil Company	Direction of foreign operations	Outside North America	100
Latin America			
Pan American Argentina Oil Company	Exploration and production	Argentina	100
Pan American Colombia Oil Company	Exploration and production	Colombia	100
Pan American Venezuela Oil Company	Exploration and production	Venezuela	100
Pan American Trinidad Oil Company	Exploration and production	Trinidad	100
Amoco Trading International, Ltd.	Purchase and sale of oil	Outside North America	100
West Indies Oil Company, Ltd.	Refining and marketing	West Indies	42
Europe			
Amoco International S.A.	Coordination and guidance of European activities	Switzerland	100
Amoco Oil Holdings S.A.	Financing of capital requirements of foreign operations	Luxembourg	100
Amoco Netherlands Petroleum Company	Exploration and production	Netherlands and North Sea	100
Amoco Hanseatic Petroleum Company	Exploration and production	German North Sea	100
Amoco U.K. Petroleum Ltd.	Exploration and production	United Kingdom North Sea	100
Amoco Norway Oil Company	Exploration and production	Norwegian North Sea	100
Amoco Italia, S.p.A.	Refining and marketing	Italy	100
Amoco (U.K.) Ltd.	Marketing	United Kingdom	100
Rheinische Mineraloel GmbH	Marketing	West Germany	100
Amoco Fina S.A.	Manufacture of lubricating oil additives	Belgium	50
Africa			
Pan American UAR Oil Company	Exploration and production	Egypt	100
Gulf of Suez Petroleum Company	Exploration and production	Egypt	50
Pan American Libya Oil Company	Exploration and production	Libya	100
Mozambique Pan American Oil Company	Exploration and production	Mozambique	80
Middle East			
Pan American International Oil Company	Exploration and production	Iran	100
Iran Pan American Oil Company	Exploration and production	Iran	50
Australia and Far East			
Amoco Australia Exploration Company	Exploration and production	Australia	100
Amoco Australia Pty., Ltd.	Refining and marketing	Australia	100
Amoco India, Inc.	Refining and manufacture of fertilizers	India	100
Furukawa Chemical Industries Company, Ltd.	Manufacture and sale of chemical products	Japan	25



NORTH AMERICAN OPERATIONS

Production

Crude Oil Our net production of crude oil and natural gas liquids in North America reached an all-time high in 1966, averaging 443,362 barrels per day. This was 4.5 per cent greater than the previous year. Canada accounted for 37,943 barrels per day of the total, an increase of 10 per cent. About 14 per cent of the North American production was in the form of natural gas liquids.

In response to improved demand for crude oil, proration was eased in Texas where we have substantial production. Regulated wells were allowed to produce at an average for the year of 33.8 per cent of rated capacity, in contrast to 28.8 per cent in 1965. Production restrictions were also eased in Louisiana, Oklahoma, and New Mexico.

Natural Gas The upward trend in natural gas production continued, with our net output at a record level of 2.5 billion cubic feet per day, an increase of 7 per cent.

Toward year end, in one of the largest sales of gas we have ever made, we committed up to 1.5 trillion cubic feet of our Canadian reserves to Westcoast Transmission Company Limited. The gas will come from our properties in the vicinity of the Beaver River and Pointed Mountain fields in Northeast British Columbia, the Yukon Territory, and Northwest Territories. Deliveries are expected to start late in 1969. Contracts concluded earlier in the year with another Canadian gas purchaser call for substantial gas deliveries from the Gold Creek and Waskahigan fields in Alberta. All of these transactions are subject to authorization by U.S. and Canadian governmental agencies.

A long-term contract calling for delivery of gas reserves underlying more than 200,000 net acres in the Anadarko Basin in Oklahoma was signed in March, and first deliveries to Upper Midwest markets began late in the year. The sale involved more than 360 billion cubic feet of natural gas already found, plus additional reserves to be developed. In still another major contract, we concluded an intrastate sale of gas from 12,000 net acres in the Hitchcock field in Blaine County, Oklahoma.

At midyear, three Oklahoma utilities began receiving gas from our reserves in Red Oak-Norris field in Southeastern Oklahoma's Arkoma Basin, following completion of our new gathering system.

In December, we committed our proved reserves in the rapidly-growing Gomez field, Pecos County, Texas.

Oil and Gas Reserves Successful exploration and development programs brought another increase in net proved reserves.

After production of 162 million barrels of crude oil and natural gas liquids, net additions to reserves totaled 116 mil-

lion barrels, increasing our total at year end to 3,160 million barrels. This includes oil which is recoverable through secondary recovery methods only where the projects are actually in operation.

A net addition of 643 billion cubic feet of natural gas reserves was achieved after production of 925 billion cubic feet. This brought our total reserves to 19,839 billion cubic feet.

Offshore Alaska The first crude oil was produced from our extensive holdings in Alaska's Cook Inlet in 1966. Four wells were completed from our permanent Middle Ground Shoal Platform B. Two new permanent platforms were installed in the Granite Point field (formerly Tyonek). A fourth platform, at South Middle Ground Shoal, was set in place and will be completed in 1967. Pipelines were laid to shore storage facilities from the three new platforms. We are the operator in all these undertakings, in which we have three equal-share partners.

Exploration We drilled or participated in drilling 285 wildcat wells in the United States and 72 in Canada, for a total of 357 wells. Our net interest was 256 wells, of which 76 wells produced oil or gas.

Our most significant discoveries were in the following areas:

Canada: Potentially important oil reserves were discovered in the Rainbow Lake area of Northwest Alberta. Elsewhere in Alberta, active exploratory drilling programs were carried out at Nipisi, 195 miles northwest of Edmonton, and at Crossfield, 25 miles north of Calgary. In the Northwest Territories, northeast of the prolific Beaver River gas area, we discovered a sizable gas reservoir with a full-interest exploratory well at Pointed Mountain. The first production test of a zone at the base of a 329-foot-thick pay section gauged 20 million cubic feet of gas per day.

Alaska: A discovery at North Redoubt Shoal in Cook Inlet tested nearly 2,000 barrels of oil per day. A significant western extension to the Granite Point field was drilled, testing at rates up to 2,900 barrels a day. We are the operator and own 25 per cent interest in these properties.

Offshore Louisiana: Productive limits of a field in the East Cameron area were extended by three gas wells. In the South Marsh Island area, a 50 per cent interest oil and gas distillate discovery was made. We and our partner hold 20,000 acres encompassing the salt dome on which the well was drilled. In the West Delta area, a 75 per cent interest wildcat encountered more than 90 feet of gas condensate pay in five sands.

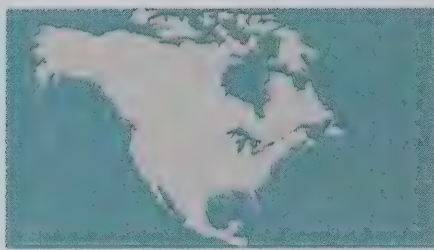
South Louisiana: A 14,000-foot full-interest wildcat, just east of Lake Charles, encountered 82 feet of gas-distillate pay. We hold leases on about 20,000 acres in the area.



A Company geologist, traveling by helicopter, inspects outcroppings of rock on the Alaskan North Slope near Brooks Range.

Producing platform operated by our Company in the Gulf of Mexico off the Louisiana coast.





NORTH AMERICAN OPERATIONS

North Louisiana: East of Shreveport, we completed a full-interest discovery from two sands. On test, these sands yielded 5.5 million cubic feet of gas daily and 30 barrels of condensate per million cubic feet. We own 2,200 nearby acres.

South Texas: In Harris County, a wildcat in which we have full interest flowed 6 million cubic feet of gas per day plus a sizable volume of condensate. We hold 5,755 acres.

East Texas: The first Smackover discovery ever registered in Henderson County flowed nearly 3 million cubic feet of gas daily plus 156 barrels of condensate per million cubic feet of gas. We own 50 per cent interest in the well and 6,000 acres.

Oklahoma: In the gas-rich Anadarko Basin, drilling was concentrated in an area northwest of Oklahoma City. There

we took part in 24 wildcats, 11 of which resulted in discoveries. Most significant was a wholly owned well with a calculated open flow of 70 million cubic feet of gas daily.

New Mexico: In the San Andres trend, five of seven wildcats drilled found oil. One test in which we have full interest extended production of the Chaveroo field over 1,480 acres. Another full-interest test, with 40 feet of net pay at 3,500 feet, was the discovery well of the Cato field. In Lea County, a full-interest oil well was completed on a 1,280-acre block, producing 300 barrels daily.

Undeveloped Acreage At the close of 1966, net undeveloped acres under lease totaled 8.5 million in the United States and 3.1 million in Canada. In Canada, we also held 37 million acres in reservations and permits.

Active lease acquisition continued in Alaska, principally in the Cook Inlet Basin, where our net holdings now stand at 132,700 acres.

In the Keg River area of Northwestern Canada, we added 297,569 acres. On the Grand Banks, off the coast of Newfoundland, which we are exploring jointly with another company, our net holdings were increased slightly, to 15.8 million acres.

Other significant acreage was acquired along the downdip Wilcox trend, which extends roughly from Houston, Texas, to Baton Rouge, Louisiana, and in the Anadarko Basin in Oklahoma and the Delaware Basin of West Texas.

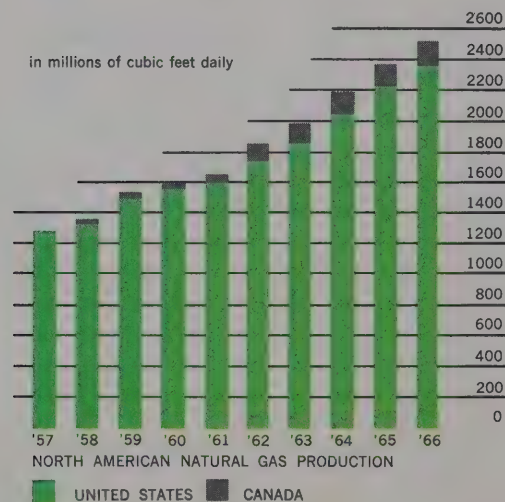
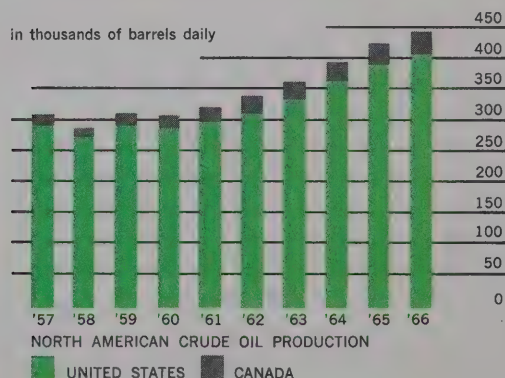
Development We participated in drilling 1,334 development wells in 1966. Our net interest was equal to 832 wells. In addition to Alaska, the principal areas of development include the following, the references to drilling in each case being to net-interest wells:

Anadarko Basin: We completed 76 producers in this extensive gas province of Northwestern Oklahoma and the Texas Panhandle. Daily sales from these new completions will amount to 41 million cubic feet of gas plus 2,500 barrels of oil and condensate. We now have 810 producing wells in this area.

Arkoma Basin: The opening of new markets prompted additional drilling in this area of Southeastern Oklahoma. Twelve producers were completed, bringing our total to 76.

Canada: Our 32 new producers in Alberta included 6 at Marten Hills field, and 4 each at East Crossfield, Swan Hills, and Clive fields.

Chaveroo (San Andres) field, New Mexico: Of 63 producers drilled here in 1966, 58 were top allowable completions. Our net production was increased from 97 barrels of oil daily in 1965 to 2,920 barrels daily.



Cato (San Andres) field, New Mexico: With field limits not yet defined, we drilled 21 top allowable producers in this shallow pool.

Live Oak Lake field, South Texas: The 1966 program resulted in the completion of 17 gas wells and 15 oil wells. Gas sales started early in the year.

Elk Basin field, Wyoming: This was one of our most active fields in the Rocky Mountains. We deepened or worked over 16 net wells and drilled 2 new ones, increasing our net production to 13,500 barrels per day.

Basin Dakota area: With 33 new producers in 1966, we now have 183 gas wells in this large area of Northwest New Mexico, with production at about 90 million cubic feet per day.

Hendrick field, West Texas: Twelve wells were drilled, each potentialing in excess of the top allowable.

Calvin fields, West Texas: In this Spraberry trend area, there were 37 completions resulting in a production increase of 1,670 barrels of oil daily.

Texas Gulf Coast: Development of three important salt-dome fields was continued. At High Island field, there were 12 new producers; at Big Creek field, there were 18 producers, and at New Batson field, there were 14.

Offshore Louisiana: Development drilling continued at Eugene Island Block 276 and Ship Shoal Block 28. At Ship Shoal, the additional drilling resulted in an increase in our gas reserves and boosted our working interest to 15 per cent.

Onshore South Louisiana: Nine oil wells were drilled at Bayou des Allemands field. Eleven new wells tapped shallow reservoirs in Charenton field, and at East and West Hackberry fields we drilled 10 wells.

We joined in starting 53 secondary recovery projects, and

took part in forming 36 producing units as a preliminary step to secondary recovery. We now have an interest in 379 secondary recovery projects, of which we operate 162.

Gas Processing Gas-processing activities are playing an increasingly important role as demand for natural gas, natural gas liquids, and sulfur continues to grow.

We now operate for ourselves and partners 29 gas-processing and cycling plants capable of processing 2.2 billion cubic feet of natural gas and producing 79,500 barrels of liquids daily. We have an interest in 22 plants operated by others. During 1966, construction or expansion of seven plants was initiated; completion of this program will boost the gross operating capacity of plants we operate by 575 million cubic feet daily and liquids production by 11,000 barrels daily.

Two new plants being built in Alberta, Canada, will substantially increase our sulfur production. The East Crossfield plant, in which we have 37 per cent interest, will produce up to 1,450 tons daily, and the Bigstone plant, in which we have 83 per cent interest, will produce 320 tons daily. Our Company, which is the largest producer of sulfur from natural gas in the United States, will thus become one of the largest producers in Canada as well.

Automated Production A computerized and automated system to control production from 140 wells was installed in the Elk Basin field, Wyoming, in 1966. Work began on similar installations in the East Texas field and Smyer field in West Texas. When they are completed in 1967, we will be producing more than 67,000 gross barrels of oil per day through computerized automation systems.

Color-coded wire is employed in a computerized and automated system controlling 140 wells in the Elk Basin field, Wyoming.





NORTH AMERICAN OPERATIONS

Manufacturing

Operating near capacity, our 12 domestic refineries processed crude oil and natural gas liquids at an average rate of 795,397 barrels a day, 5 per cent greater than in 1965. This made 1966 another record year.

Four additional catalytic cracking units were revamped, helping us to reach a new high in gasoline production. We have now modified 11 of our 14 cat crackers to take advantage of recent technological advances, and plan to revamp the remaining three in 1967.

At our Texas City refinery, a major expansion program went forward. When construction in progress is completed late in 1967, Texas City will be our largest refinery, with crude running capacity of 240,000 barrels a day, an increase of nearly 70,000 barrels over present capacity. New facilities will include a 40,000-barrel-a-day Ultraformer for reforming naphthas into high octane motor fuel components; a 50,000-barrel-a-day extraction unit for production of high purity aromatics; additional electric power generating equipment, and new blending and shipping facilities. Also scheduled is a 40,000-barrel-a-day Ultracracker, a unit developed by our scientists for converting high-boiling gas oils into gasoline. This facility is scheduled to go on stream late in 1968.

The focus of our present expansion has been Texas City because of its location close to sources of crude, to a growing

chemical complex, and to pipelines and waterways for channeling products to the Eastern and Southern markets.

At the same time, new facilities are being added at a number of our other refineries, most of which have already undergone extensive modernization. At Whiting, an existing facility was converted to a catalytic refining unit, which desulfurizes 33,000 barrels a day of furnace oil, and to an isomerization unit which converts normal butane into isobutane for alkylation. At Whiting, Wood River, and Casper, new facilities permitted a consolidation of warehousing and shipping functions. At Wood River, fractionation equipment was installed to increase recoveries of propylene, isobutane, normal butane, and other liquefied petroleum gases. Other modifications to improve yields were made at Casper and El Dorado.

Advances in computer technology are providing new tools for improving efficiency and lowering operating costs. "New generation" computers were installed at two refineries, and four more are scheduled for 1967. These new machines can simultaneously control a number of process units while also functioning as communications terminals for a centralized computer system which in turn processes locally-generated technical and commercial problems. The capacity of the new computers to perform a number of functions at a given time enables us to extend their use to smaller locations where they could not be justified for local installation.

Refinery lights etch a vivid nighttime scene at Salt Lake City, Utah.





Our new aromatic acids chemical plant at Decatur, Alabama, will have its capacity doubled in 1967.

Chemicals

Chemicals and fertilizers comprise one of the fastest growing sectors of our business. Revenues of \$153 million from our domestic sales in 1966 were more than six times those of a decade ago, more than twice those of three years ago, and 24 per cent higher than in 1965. Substantial further growth is projected for the year ahead as new plants come on stream.

Our selective approach to the chemical field has led us to concentrate on manufacturing certain basic products, particularly aromatic acids and their esters. In 1966, our production of terephthalic acid, purified terephthalic acid, and dimethyl terephthalate, utilizing our unique processes for this family of products, was at levels limited by availability of purchased feed stock. We are among the largest suppliers of these important raw materials for the synthetic fiber and film industries, and look forward to a major expansion in these markets.

During 1966, substantial sales gains were registered in polybutenes, employed in making such products as adhesives, caulks and sealants, and additives. We achieved other large increases in the sale of styrene monomer, for use in synthetic rubbers and plastics, and in polystyrene, another important base material for plastics.

In addition, we made considerable progress on construction of new facilities that will greatly enlarge the scope of our operations.

At Decatur, Alabama, a plant capable of manufacturing 200 million pounds a year of dimethyl terephthalate and purified terephthalic acid was essentially completed at year end. Facilities to expand total capacity to 400 million pounds a year are scheduled for completion in 1967. Contracts were also let for construction of a plant at Decatur to produce 200 million pounds a year of paraxylene for use as a feed-stock in the manufacture of the previous two products.

At Texas City, Texas, a 225-million-pound-a-year paraxylene plant was brought to the finishing stages. Its output, when complemented by the plant to be built at Decatur, will take care of the combined requirements of our Joliet and Decatur facilities for this chemical raw material. Also at Texas City, steps were initiated to increase the capacity of the styrene monomer unit from 250 million pounds to 300 million pounds a year.

Work was initiated on a 50-million-pound-a-year unit at Joliet, Illinois, for making another aromatic acid, trimellitic anhydride (TMA). TMA has a number of applications, particularly as a component in plasticizers and in protective coating resins. Capacities of several other Joliet units were enlarged.

At Wood River, Illinois, a new multi-purpose additives plant neared completion, and other facilities were modified to increase production of detergent additives used in lubricating oils.



NORTH AMERICAN OPERATIONS

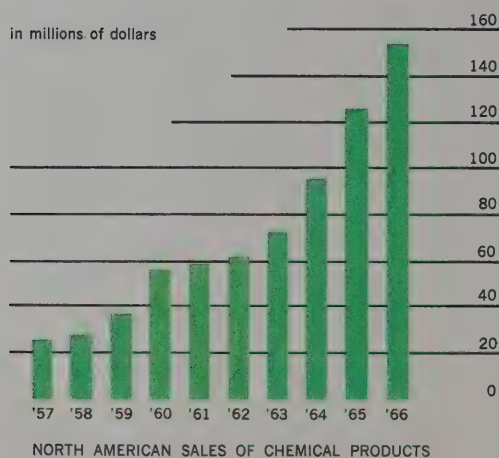
During 1966, Amoco AI polymer found wider acceptance as a wire insulation, and we introduced a wire enamel that permits significantly lower production costs for insulated wire.

In the area of petroleum additives, such as are used in the formulation of fuels and lubricants, we introduced a number of products for the first time on a commercial basis. The more significant were a new ashless dispersant to satisfy increasingly stringent automotive requirements; an improved two-cycle engine oil additive with superior rust-inhibiting properties; a new antioxidant, and a series of corrosion inhibitors.

Sales of ammonia fertilizers increased 11 per cent, and liquid-mix fertilizer sales rose 63 per cent.

During the year, 24 fertilizer sales outlets were added, bringing the total to 641, and a number of outlets which had previously dealt only in ammonia were converted into dual-purpose facilities offering mixed fertilizers as well. Our outlets are concentrated for the most part in eight Midwestern states and four Southern states, which together account for about one-half of total domestic fertilizer consumption.

To help our supplies keep pace with expanding sales, we proceeded with work on a new 1,500-ton-a-day ammonia plant at Texas City, adjacent to a 600-ton-a-day unit already in operation. A superior process developed by our research staff for ammoniation of phosphoric acid to produce a nitrogen-phosphorus plant nutrient is now employed in a new formulating plant at Peoria, Illinois, and will be used in 13 similar plants in the Corn Belt and deep South, scheduled for completion in 1967.



Pipeline being laid from the Niñe Mile field in Colorado.

Transportation

Shipments through our crude oil pipeline system, the nation's largest, averaged nearly one million barrels a day in 1966. A total of 332 million barrels of crude were delivered during the year. Our common carrier lines provided connections between approximately 28,000 producing wells and 54 refineries.

During 1966, seven pumping stations were built or modernized. The majority of stations are now remotely controlled by microwave or wireline signals. Automatic transfer of crude oil into and out of the pipelines is highly developed.

During the year, we participated with eight other companies in engineering studies for a jointly owned crude oil line, Capline, to be constructed from the Louisiana Gulf Coast to southern Illinois.

Our proprietary products pipeline system increased its volume of shipments nearly 9 per cent to a new high of 132 million barrels, an average 362,037 barrels a day. Installation was started on machinery that will increase capacity some 10 per cent when completed. Our products lines are highly automated, with three-fourths of the pumping stations remotely controlled.

Other products lines in which we own partial interest, including the 1,600-mile Colonial Pipeline system originating in the Houston area and serving the South and East Coast, increased their throughputs in 1966.

Supplementing the pipeline system was an extensive surface transportation network employing barges on rivers and inland waterways and tankers on the Great Lakes and along the Gulf and East coasts, plus some 6,000 tank trucks and 4,000 railroad tank cars.



Full-facility truck stops, such as this one at Greenwood, Nebraska, service the over-the-road transportation business.

Marketing

Domestic demand for petroleum products during 1966 registered the greatest annual growth in more than a decade, and our Company's sales gains exceeded industry averages. In addition, gasoline prices remained generally close to the improved levels established early in 1965. This combination of factors made 1966 a record year both in sales volumes and in revenues.

Our refined products sales advanced 6 per cent to an average 857,244 barrels a day. Gasoline, our principal product, increased 8 per cent in sales volume. Substantial increases were also achieved for diesel and jet fuels. Total sales revenues for the year rose 9 per cent.

Emphasis was placed on further use of profitability yardsticks in planning future growth, development of new and improved products, testing additional marketing innovations, streamlining for organizational efficiency, and recruiting and personnel training. Aggressive advertising and our successful

nationwide "NFL All-Pro" special promotion supported sales efforts.

Retail marketing strategy was again based on construction of large-volume outlets in strategic locations and the elimination of marginal accounts, the selective approach which has proved successful in recent years. Many of the new facilities built in 1966 were located to serve growing markets along the expanding National Interstate and Defense highway system, with special efforts made to protect our leading position in full-facility truck stops for over-the-road transport business. In recognition of growing demand for one-stop car care and car repair, we are proceeding with a series of prototype facilities offering a full range of such services to test their acceptance.

While providing improved service station facilities, we also try to enlist the best qualified candidates to join the ranks of independent dealers who sell our products, to provide the tools and merchandising aids they require, and to offer the training



This car repair clinic in the Chicago area illustrates the Company's continuing search for ways to serve the motorist better.

Tuloma Gas Products Company truck takes on LP-Gas at pipeline terminal near Griffin, Georgia, for delivery to retail outlets.





NORTH AMERICAN OPERATIONS

and guidance which will enable them to conduct an efficient and successful business. Under one of the most comprehensive programs of its kind in the industry, our new dealers receive intensive training in the classroom as well as at the service station. Some 1,200 dealers graduated from these training schools in 1966, the first full year of operation for the program.

Innovations in motorist service are constantly being explored. Favorable test results with the American Oil Motor Club led to its extension throughout 15 Midwestern states in 1966. Among club membership privileges are travel accident insurance coverage, 24-hour emergency road service, auto theft reward guarantee, and a trip completion guarantee covering expenses arising from the loss of use of a member's car because of collision or accident while en route. Two more Harvey House restaurants, in which we own 50 per cent interest, were opened adjacent to service stations at Topeka, Kansas, and Hazelwood, Missouri.

Over the year, new credit card accounts were added at a rate of more than 100,000 a month. Our credit card holders — 8.8 million persons charging against 5.5 million accounts — may use their cards to pay for a variety of products and services, including a full line of family automobile insurance. In 1966, through arrangement with Avis Rent-A-Car, car rentals were added to the services available to our credit card customers.

A quality bonus was built into a number of our products. Our three quality motor oils, Super Permalube LDO, Super Permalube, and Permalube, were still further improved and offered in a new package design. The line of commercial motor oils for industrial and farm use was reduced from seven products to four; however, these four improved products satisfy customer needs better, while reducing inventory and manufacturing requirements.

In industrial marketing, careful studies of buyer requirements enabled us to pinpoint opportunities for new product development. Thirty-nine new products have been introduced. They included five new motor oils for the automobile industry, a new high-dispersancy railway diesel oil, eight new greases for widely different applications, and four new waxes for paper and packaging companies. Two unique products — Cable Oil, for use in high-voltage underground transmission lines, and American Continuous Casting Lubricant, designed for the new continuous steel casting process — are winning encouraging acceptance.

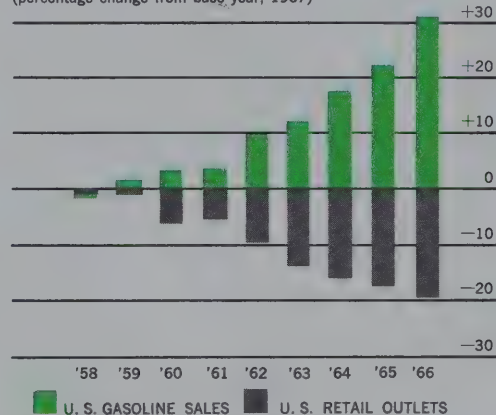
Promotion of fuel oil sales again proved effective in combating strong competition from alternative energy sources. A new concept in heating oil service, Hot Line, was introduced, offering customers quick, complete, and individual attention to their needs. Sales of oil-fired Amoco-brand heating and cooling equipment increased substantially. Spot oil heaters drawing fuel from a central tank by a feeder line system were introduced to protect orchards against frost.

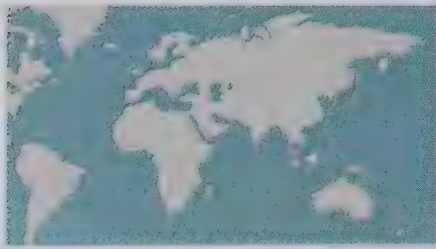
Construction began on six additional Farm Service Centers in widely separated areas of the country, to complement five already in operation. These centers offer farmers a one-stop approach in filling their needs for petroleum products, fertilizers, chemicals, and LP-Gas. Trained agronomists are present to help in evaluating their requirements.

Sales of liquefied petroleum gas and natural gasoline increased 5 per cent, to 68,300 barrels a day. The number of our LP-Gas retail outlets rose to 303.

During the year, 11 sales regions in the 48 states where we market petroleum products were consolidated into six, permitting reduction in operating costs. Efforts to recruit high-caliber personnel to man our expanding sales operations were intensified, and a comprehensive and challenging training program was developed for new sales representatives.

U. S. GASOLINE SALES AND RETAIL OUTLETS
(percentage change from base year, 1957)





FOREIGN OPERATIONS

Highlights

Important reserves of natural gas were discovered in our first three tests of North Sea acreage off the United Kingdom. Successful wells were also drilled in the Persian Gulf and the Gulf of Suez, where we found additional reserves.

Additional drilling established that the El Morgan oil field in the Gulf of Suez is large enough to support production of 150,000 barrels a day; facilities are being installed there to permit production to start by mid-1967. Production of crude oil from the Darius field in the Iranian portion of the Persian Gulf continued at the levels established late last year, and facilities were being installed to permit production from the Cyrus field.

A preliminary agreement was reached settling our oil contract dispute with the Argentine government on a basis calling for continued operation.

A new refinery in Brisbane, Australia, was formally dedicated, and construction is under way modernizing and greatly enlarging capacity at our Cremona, Italy, refinery. A contract was let for construction of a large partly owned refinery in India for which we will supply crude.

Total product sales abroad increased steadily, with expansion of operations in Australia, Italy, Great Britain, and West Germany. During 1966, the number of branded foreign retail outlets we supplied increased from 948 to 1,248.

A major wholly owned petrochemical plant was announced for construction in the Common Market area of Europe. We entered into agreements to participate in a major fertilizer plant, to be built in conjunction with the Indian refinery, and in a large sulfur extraction and liquefied petroleum gas plant to be constructed on Kharg Island in the Persian Gulf.

Exploration and Production

North Sea United Kingdom — The Amoco-British Gas Council Group was successful in each of its first three tests of its North Sea acreage. As operator for the group, we found natural gas in two large fields, and have drilled a successful step-out five miles to the south of one of them. All three of the wildcat wells tested at rates of 25 million cubic feet daily through restricted chokes. We have 30.7 per cent interest in the wells and in 2,088,000 acres, and have 22.2 per cent in an additional 739,000 acres.

Norway — A subsidiary, Amoco Norway Oil Company, continued seismic surveys as operator for a group of Norwegian and American companies holding 1,213,000 acres of conces-

sions in Norwegian waters. Our interest is 28.3 per cent. Drilling is scheduled to start in 1967.

Germany — Five unsuccessful tests were drilled offshore by the German consortium in which we hold 10.45 per cent interest. We also participated in an unsuccessful wildcat in northwestern Germany near the Slochteren gas field.

Netherlands Gas reserves discovered in North Holland in 1964 and 1965 by wells in which we have a 60 per cent interest continued shut-in pending enactment of petroleum legislation by the Netherlands government.

Iran Our 50 per cent share in crude oil production from the Darius field in the Persian Gulf averaged 31,800 barrels a day in 1966. Facilities permitting us and our National Iranian Oil Company partner to produce 25,000 barrels of oil daily from the offshore Cyrus field were under construction, and are expected to go into operation in 1967.

An exploratory well 40 miles southeast of Cyrus in the Persian Gulf resulted in a significant oil discovery. A confirmation well on this structure and another exploratory well were being drilled at year end, and on the basis of preliminary tests both are indicated to be producers.

Egypt Four wells in addition to five previously drilled confirmed the major proportions of the El Morgan field, in which we hold 50 per cent interest, in the Gulf of Suez. Five permanent platforms have been erected, and development drilling has started. Flowlines to carry the crude oil onshore and storage facilities are being built. Production of 50,000 barrels a day by mid-1967 is currently scheduled, with a progressive increase to 150,000 barrels a day.

Elsewhere in the Gulf of Suez, we drilled four unsuccessful exploratory wells. Two exploratory wells in the Western Desert, where we hold rights covering 18 million acres, were also dry. Seismic work was continued.

Libya Commercial production of crude oil from Khuff field was started in January of 1966, and averaged 7,300 barrels a day for the year. A development well was completed to bring the number of producing wells in the field to four. In other parts of Libya, we drilled four wildcat wells, and one discovered oil. We are drilling another exploratory well on the same block.

Mozambique Exploration was continued on a 30-million-acre concession area in which we hold 50 per cent interest. At year end, three drilling rigs were in operation, two of these in the vicinity of Pande where gas reserves had previously been established. A gas well fire, which was ignited in October, 1965, continued to burn throughout 1966, but has now been brought under control by our operating partner.

Hadhramaut and Mahra Our 49-million-acre exploration and production licenses in the Hadhramaut and Mahra regions of the southern Arabian peninsula were relinquished after three years of exploration, including two nonproductive wildcats.

Australia An exploration team was established in Australia early in 1966 to evaluate oil and gas prospects on the con-

continent and offshore. We have joined another company in exploring a 7,840,000-acre license in Queensland. Seismic surveys are under way.

Indonesia After unsuccessful exploration efforts, we have relinquished our holdings in central Sumatra.

Argentina A preliminary agreement was reached with representatives of the new Argentine government late in 1966 providing a settlement to the dispute arising from the unilateral government annulment of our oil contract in 1963. Under the agreement, Yacimientos Petroliferos Fiscales (YPF), the Argentine state-owned oil agency, will reimburse us for all crude oil delivered but not paid for since the inception of the contract, less a deduction to compensate YPF for wells drilled by them in the contract area during the annulment period. We will continue to produce oil from the properties for delivery

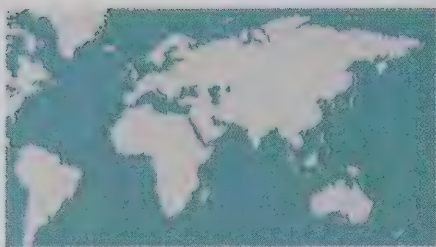
to YPF and will undertake to drill a minimum of 150 wells within a four-year period following final settlement. Production from the contract area, which we continued to operate during the period of the dispute, was approximately 24,400 barrels of oil per day in 1966.

Venezuela Production from our one-third interest in Venezuelan ventures averaged about 4,900 barrels a day. An exploratory well drilled in Lake Maracaibo Block 12 failed in its deep objective, but did extend the productive limits of currently producing zones.

Colombia Our 25 per cent interest in production from three Colombian fields averaged 3,600 barrels a day of crude oil and natural gas liquids. Additional development drilling brought the three-field total to 27 wells. A processing plant for extracting liquid hydrocarbons from gas produced in the

Tanks and on-shore facilities, shown being built at Ras Shukheir, Egypt, will handle production from the El Morgan field in the Gulf of Suez.





FOREIGN OPERATIONS

Payoa and Corazon fields rounded out its first full year of operations.

Trinidad Evaluation of geophysical data was continued on our large offshore concession east and southeast of Trinidad.

Manufacturing and Marketing

Australia Our new 25,000-barrel-a-day refinery on Bulwer Island near Brisbane was dedicated in March. Its throughput was steadily increased over the course of its first full year of operations. Australian and Middle Eastern crudes are used as feedstocks, and a complete range of petroleum fuels and asphalt is manufactured.

Products sales increased considerably over 1965 levels, with a further gain of 49 service stations, bringing the number of retail outlets operating under the Torch and Oval to 392. In rural areas, 14 Amoco-brand supply depots were added bringing the total to 147.

India Plans went forward for a 50,000-barrel-a-day refinery at Madras, announced late in 1965, and a contract for its construction has been let. We will have 13 per cent ownership in the venture, and will supply crude oil from our Persian Gulf production. A companion fertilizer plant has also been

approved, and tenders for bids to construct the plant have been requested.

Italy The first stage in a modernization program at the Cremona refinery was completed early in 1966, and expansion of crude processing facilities from 26,000 to 60,000 barrels daily is progressing, with completion scheduled for mid-1967.

The number of retail outlets operating under the Torch and Oval in Italy rose from 464 to 556.

Pakistan We are supplying crude oil from the Persian Gulf to the Karachi refinery of National Refineries Limited, which was completed during the year, and are continuing to provide technical assistance.

Switzerland Our 50 per cent interest in a marketing company, Haniel-Amoco, A. G., was sold.

United Kingdom Our product sales in the United Kingdom more than doubled in 1966, as the number of service stations displaying the Torch and Oval increased from 65 to 124. Modernization of lube-blending and packaging facilities at Manhattan Wharf, London, was completed.

West Germany The number of our service stations, operating under the brand name Adler (German for Eagle), increased from 76 to 176. Most of this expansion was concentrated in the northern part of the country.

West Indies West Indies Oil Company, in which we hold 42 per cent interest, acquired a number of service stations in Quebec, Canada. The start-up of its Antigua refinery, for which we have crude supply rights, is scheduled for early 1967.

Chemicals

Europe Plans were announced for a wholly owned aromatic acids plant, to be built in the European Common Market area. It will have a capacity of 200 million pounds of terephthalic acid and dimethyl terephthalate a year. Construction is expected to start in 1967 and to be completed by January, 1969.

Netherlands We agreed to sell our 50 per cent interest in a plant at Delfzyl that produces dimethyl terephthalate to Algemene Kunstzijde Unie, N.V., our partner in the venture. AKU, whose own manufacturing of synthetic fibers provides an outlet for the Delfzyl output, will continue to use our processes under license agreements.

Belgium Sales of lubricating oil additives and polybutenes manufactured by Amoco Fina, 50 per cent owned, reached new highs. Our European additives-marketing organization was expanded, and construction was started on engine-testing facilities in Great Britain as part of our intensified additive-marketing program.

India Under an agreement with the Indian government, we are participating in a major fertilizer plant to be constructed at Madras. Our share will be 49 per cent, subject to the con-

The drilling rig, Orion, in the North Sea off the United Kingdom.



dition that National Iranian Oil Company may later elect to participate in ownership up to one-half of this amount. The plant, processing naphtha from the refinery to be built at Madras, will produce more than 600,000 tons a year of mixed and high nitrogen fertilizers.

Iran We have entered into an agreement with the National Petrochemical Company of Iran to construct facilities to recover 500 tons daily of elemental sulfur and 5,000 barrels a day of liquefied petroleum products. We will own 50 per cent of Kharg Chemical Company Limited, which will establish the sulfur plant and liquefied petroleum gas plant on Kharg Island in the Persian Gulf.

Japan Furukawa Chemical Industries, in which we own 25 per cent interest, increased sales of polyethylene, polybutene, and varnish used in wire coating to record levels. Construction was started that will more than double the capacity of its plant at Kawasaki.

Transportation

We have contracted with Mitsui Shipbuilding and Engineering Company, Ltd., in Tokyo, for two 68,000-deadweight-ton tankers, to be delivered in 1968. We also arranged term charters of three years for two 55,000-DWT tankers.

This refinery, near Brisbane, Australia, completed its first full year of operations in 1966.



Research

Our expenditures for research in 1966 totaled \$22 million. We acquired 295 new patents, and applied for 435 others. In total we now own 2,510 U.S. patents and 1,384 foreign patents, many of which are licensed to other companies. More important than these bare figures, however, is the central place research occupies in helping make our business more efficient and productive.

One aspect we have given considerable study has been the systematic application of computers to our operations. We are now setting up two new highly advanced and interconnected computer centers of major capabilities, at Chicago and Tulsa, to meet the informational requirements of the Company and its operating subsidiaries. The two centers will service outlying operating locations across the country, through one of the most extensive voice and data communications links yet put together for industrial purposes.

The extension of computer uses throughout our business is illustrated by the greatly expanded program at our Tulsa laboratories for exploration and production research. In exploration, computers are being effectively employed to improve our analysis of geological and geophysical data. We have doubled the capacity of our highly successful digital computing system which permits a more effective interpretation of seismic signals. In production, computer analysis of variables affecting drilling rates led to cost reductions. During 1966, emphasis was also placed on development of new computer applications and equipment to meet the needs of the research function itself.

In other research at Tulsa, major improvements were made in oil recovery techniques. Among these was discovery of a method to activate chemical agents often present in crude oils found in Gulf Coast fields where we have major reserves. In fields where 50 per cent recovery of oil is considered excellent under normal water-drive operations, we have found that by injecting chemically-treated water into the reservoir we can boost recovery to from 65 to 70 per cent. Another new water-flood technique injects inexpensive solids into formations to plug natural cracks and those caused by earlier fracturing; instead of by-passing part of the reservoir, the water is thus forced to enter the rest of the formation to displace more crude.

At our Whiting laboratories, where refining and products research is concentrated, our Ultracracking process was brought to the commercial stage, and will be employed in a new unit to be constructed at our Texas City refinery. This is an advanced form of hydrocracking, using hydrogen to convert low-value, high-boiling stocks into gasoline or distillate fuels. Ultracracking differs from earlier applications of this process in its use of a greatly improved catalyst, which is low in cost, easily produced, relatively long-lived, and easily regenerated.

Working with Michigan State University, we demonstrated for the first time a method of spreading thin layers of asphalt two feet below the surface of sandy soils to keep moisture and fertilizers from seeping down through the sand and getting lost underground. This development holds the promise of turning millions of untilled acres into productive farm land, while increasing crop yields from sandy lands now being farmed. We are also testing its application to irrigated desert lands as a means of reducing the amount of water required

for irrigation. Commercial equipment for laying the asphalt barrier is being developed in cooperation with a farm equipment company.

Other innovations to serve the farmer were an efficient, safe, and easily operated oil-fired cultivator, which kills weeds by flaming, and a new herbicide, Amoco Crop Oil, for post-emergent application to small-grain crops. Long-range studies were pursued in soil improvement, using petroleum-derived products, and in the production of high-protein food supplements from petroleum.

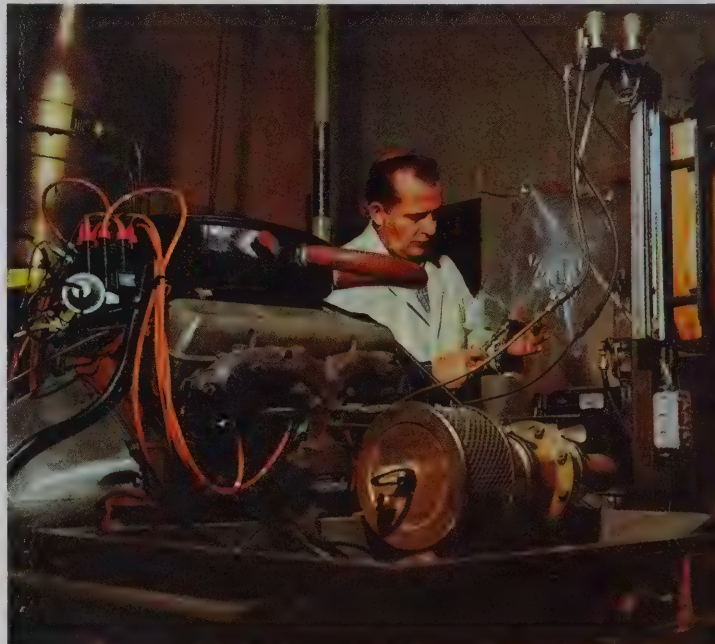
Our leading position in lubricants was strengthened by a number of new and improved products introduced during the year. These are described in the Marketing section.

Research in instrumentation led to an award-winning device, known technically as a selective nitrogen detector with gas chromatograph. This instrument automatically performs analyses that previously were both tedious and time-consuming, and does so with much greater sensitivity. Already being manufactured under license, the device is finding application in many other fields besides petroleum.

Research contributions to our rapidly growing chemicals business were also significant. In the field of aromatic acids, where refinement and widened application of our proprietary oxidation system have given us a dominant position, an improved process for making trimellitic anhydride was developed and is being incorporated in a commercial unit now being built at Joliet. A new, more economical way of making our high-temperature magnet wire enamel is expected to broaden this product's market. New uses for the AI polymer employed in this enamel are being tested, including thin films and fiberglass reinforced laminates for electrical applications and high-strength honeycomb sections for supersonic aircraft.

During the year, plans were laid for a new research center to be built at Naperville, Illinois. The Naperville Technical Center will be the site of future chemical and petroleum research facilities as they become required. The initial phase of construction is expected to start in 1967.

Our extensive research on air pollution includes the study of automotive emissions at our Whiting laboratories.



Air and Water Conservation

In 1966, federal, state, and local governments increased their demands that industry, the public, and governments themselves accelerate efforts to abate pollution of the nation's air and water. This has become one of the great issues of modern society.

Aside from the obvious desirability of the national objective to gain cleaner air and water, it is expensive to accomplish this goal, and this fact needs adequate understanding by government and the public, including stockholders of industrial concerns like our Company.

Our Company has spent millions of dollars over the years at our refineries and other installations on equipment, processes, and procedures to control the emission of air and water pollutants. Additional millions of dollars, most of which will contribute nothing to Company profits, will be spent in the years ahead.

New facilities approved or under way at a number of locations during the course of 1966 included equipment for oil-water separation and pond aeration, combined chemical flocculation and air flotation, smokeless flares, and expansion of sulfur recovery capacity.

In addition to our in-company efforts to serve air and water conservation, we have worked closely with the American Petroleum Institute and with governmental control agencies at all levels.

The oil industry, including our Company, has actively engaged in environmental conservation programs for nearly four decades. In 1966, it is estimated that oil companies spent a combined total of more than \$70 million for air and water pollution research and control equipment. API, which we help to support financially, is expending nearly \$2 million a year in sponsoring 35 separate research projects, the results of which will be made publicly available.

This research should be helpful toward meeting the nation's most pressing pollution control need today, which is defining how clean air and water need be to be acceptable, and how much the American public is willing to pay for it. Not enough facts are as yet known as to the components, interactions, and effects of many air and water pollutants to provide precise guides to establishing standards for their control in modern society.

We have cooperated with governmental agencies at all levels by providing competent technical assistance toward attainment of effective, economically sound legislation, rules, and regulations.

Much control effort today is directed toward containment of emissions of the automobile, which is fueled by our principal product, gasoline. National regulations will require that 1968 models be equipped with pollutant control devices, for example. Although there is interest in promoting other forms of automotive power, solely for air conservation reasons and regardless of economic consequences or the transportation needs of the public, we are fully confident that the internal combustion engine will remain the automotive power plant of the future, and that the automobile manufacturers and oil companies will continue the prompt development of pollution controls to the point where automobile emissions are at satisfactory levels.

Employees

The number of our employees grew by more than 1,800 net in 1966, to approximately 43,000 at year end. Most of the increase resulted from planned growth in refined products marketing operations, in our chemicals and fertilizer business, and from extension of our retail LP-Gas sales network.

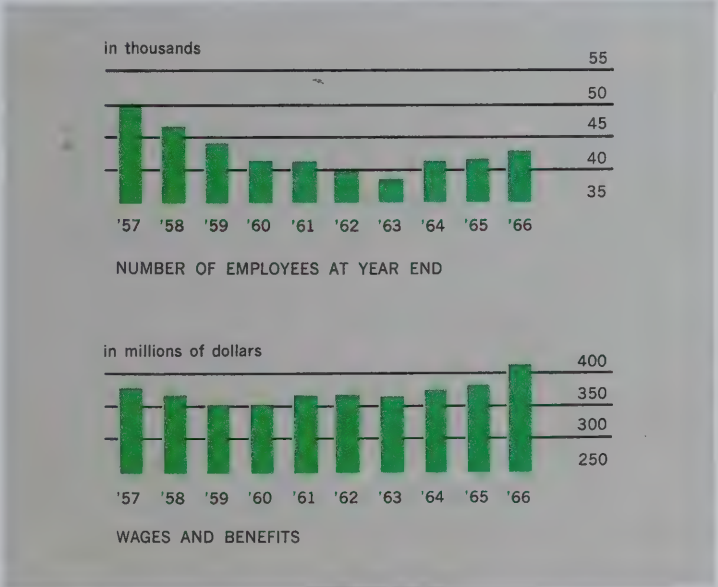
A comprehensive review of the Company's employee benefit plans was conducted during the year, leading to a series of proposed changes in their provisions. These are designed to keep the plans competitive, and to achieve greater uniformity within our own Company by eliminating differences which have evolved historically in various segments of the business.

New and improved features in the contributory retirement plan, in group life and long-term disability insurance, and in the medical expense plan will go into effect in 1967. In addition, a proposed change in the Savings Plan, under which the Company would match an employee's contributions up to 4 per cent of his earnings, is to be presented for approval by the shareholders at the annual meeting May 4, 1967.

The search for skills and talents was very competitive, particularly in regard to campus recruitment. Nevertheless, by increasing our campus interviews with potential job applicants to over 7,000, versus about 4,200 in the previous season, we succeeded in meeting most of our targeted needs. Further improvements in our manpower planning program are being introduced. Considerable attention has also been given to strengthening development programs, to assist employees to realize their full potential.

Relations with unions representing our employees were generally satisfactory. In common with the industry, two-year contracts embodying a wage increase of 14 cents an hour the first year, and 4 per cent the second year, were recently negotiated with certain unions. Increases were also granted to unrepresented employees.

Our competitive wages and benefits recognize the great importance of attracting and retaining competent employees determined to make a contribution to profitable operations. We have such a group of employees now, and are working to insure that this will continue to be the case.



TEN-YEAR FINANCIAL SUMMARY† Standard Oil Company<Indiana> and Subsidiaries

Dollar amounts in millions except where noted

SALES AND OTHER OPERATING REVENUES (including excise taxes)						
Year	Refined Products	Crude Oil	Natural Gas	Chemical Products	T.B.A. and Miscellaneous Merchandise	Other Sales and Operating Revenues
1966	\$2,405	\$395	\$136	\$158	\$127	\$86
1965	2,205	374	129	128	110	79
1964	2,038	386	125	100	101	72
1963	2,002	377	110	73	79	68
1962	1,955	375	97	61	74	65
1961	1,828	368	87	58	68	61
1960	1,828	345	79	56	61	60
1959	1,779	347	71	37	57	57
1958	1,736	305	59	27	52	54
1957	1,804	381	57	24	53	52
FINANCIAL CONDITION AT YEAR END						
Year	Total Assets	Working Capital	Current Ratio	Liabilities Payable in Later Years	Borrowed and Invested Capital	Net Worth
1966	\$3,849	\$702	2.45 to 1	\$506	\$3,376	\$2,820
1965	3,514	550	2.29 to 1	350	3,099	2,703
1964	3,306	512	2.56 to 1	340	2,998	2,605
1963	3,207	601	2.89 to 1	366	2,899	2,522
1962	3,083	534	2.98 to 1	384	2,820	2,428
1961	3,007	501	2.90 to 1	420	2,751	2,321
1960	2,893	583	3.34 to 1	424	2,650	2,218
1959	2,818	545	3.21 to 1	436	2,584	2,133
1958	2,751	580	3.50 to 1	459	2,527	2,058
1957	2,519	414	2.66 to 1	272	2,305	1,997
EXPLORATION AND DEVELOPMENT COSTS						
Year	New and Renewed Leases	Wells and Production Facilities	Dry Holes	Lease Rentals	Geological, Geophysical, and Other Exploration Expenses	Total Cash Expenditures for Exploration and Development
1966	\$55	\$181	\$74	\$11	\$61	\$382
1965	63	150	52	13	54	332
1964	59	176	60	14	53	362
1963	46	134	46	12	45	283
1962	47	129	45	14	40	275
1961	55	175	42	13	37	322
1960	52	95	30	12	47	236
1959	58	117	25	12	40	252
1958	62	71	30	13	44	220
1957	99	100	36	12	33	280

		NET EARNINGS		DIVIDENDS*		TAXES	
Total Operating Revenues	Total Revenues	Total	Per Share (in dollars)**	Total Value	Per Share (in dollars)**	Excise Taxes	Total Taxes Including Excise Taxes
\$3,307	\$3,351	\$256	\$3.62	\$120	\$1.700	\$598	\$732
3,025	3,063	219	3.10	110	1.550	553	678
2,822	2,856	195	2.75	94	1.325	505	592
2,709	2,746	183	2.58	90	1.266	482	582
2,627	2,656	162	2.29	81	1.149	479	554
2,470	2,502	154	2.19	79	1.124	437	516
2,429	2,462	145	2.06	70	.998	423	510
2,348	2,372	140	1.98	68	.966	391	472
2,233	2,251	118	1.66	60	.843	369	431
2,371	2,391	152	2.14	75	1.055	361	447
Book Value Per Share (in dollars)**	Cash Income (net earnings plus depreciation, depletion, etc.)	Capital Expenditures	Exploration Expenditures Including Dry Holes	SHAREHOLDERS at Year End		EMPLOYEES	
				Number (in thousands)	Shares Outstanding (in thousands)**	Number at Year End	Wages and Benefits
\$39.92	\$539	\$424	\$146	173	70,647	42,995	\$407
38.18	490	356	119	171	70,795	41,158	382
36.73	428	361	127	161	70,927	40,724	366
35.52	420	275	103	150	70,989	38,334	353
34.21	383	278	99	154	70,971	39,189	358
32.98	356	378	92	154	70,358	41,304	355
31.63	344	252	89	160	70,120	41,706	344
30.32	311	269	77	159	70,369	43,569	348
29.08	290	270	87	152	70,783	46,033	352
28.17	355	340	81	148	70,884	49,678	370

Canceled and Surrendered Leases

\$50

39

29

34

28

42

43

23

29

19

† Figures subsequent to 1962 exclude the Argentine subsidiary eliminated from the consolidated financial statements as of January 1, 1963.

* Dividends prior to 1964 include the market value on date of distribution of the Standard Oil Company (New Jersey) stock distributed as a special dividend.

** Adjusted for the two-for-one stock split in September, 1964.

A financial and statistical supplement to the 1966 Annual Report will be furnished upon request. Copies may be obtained from the Secretary, Standard Oil Company (Indiana), P.O. Box 5910-A, Chicago, Illinois 60680

TEN-YEAR OPERATING SUMMARY† Standard Oil Company <Indiana> and Subsidiaries

EXPLORATION AND DEVELOPMENT							
Net Producing and Prospective Acreage at Year End (in thousands)					Net Wells Drilled		
Year	Producing Leases		Undeveloped Leases		Exploratory		
	United States	Canada	United States	Canada	Oil	Gas	Dry
1966	2,387	520	8,486	3,108	35	43	192
1965	2,298	479	9,539	3,197	33	33	186
1964	2,259	412	11,758	3,591	42	43	253
1963	2,092	262	11,234	3,174	40	28	245
1962	1,998	261	13,758	3,428	34	36	150
1961	1,900	191	15,516	2,764	26	51	131
1960	1,726	98	12,761	1,984	16	41	139
1959	1,691	182	11,644	1,836	22	30	118
1958	1,641	63	12,572	1,431	20	32	135
1957	1,568	60	13,097	935	34	25	136

PRODUCTION							
Net Production of Crude Oil and Natural Gas Liquids (thousands of barrels per day)							
Year	Texas	Wyoming	Louisiana	Oklahoma	New Mexico	Kansas	Other U.S.
1966	208	57	55	23	23	14	25
1965	202	58	52	19	19	14	26
1964	191	54	48	17	16	13	26
1963	180	44	45	14	15	12	25
1962	166	45	38	13	15	11	27
1961	155	47	33	13	18	10	25
1960	146	45	33	13	15	10	27
1959	155	44	32	13	12	10	31
1958	145	41	30	14	11	10	27
1957	167	35	31	16	11	11	27

NET PROVED RESERVES			MANUFACTURING		MARKETING		
U.S. and Canada at Year End			Refinery Input	Crude Running Capacity (year end)	Refined Products Sold (thousands of barrels per day)		
Year	Crude Oil and Natural Gas Liquids (thousands of barrels)	Natural Gas (billions of cubic feet)			Gasoline (including natural gasoline)	Home Heating Oils, Kerosene, Diesel Oils	Residual Fuel Oil
1966	3,159,857	19,839	829	832	435	227	76
1965	3,043,794	19,196	777	807	400	213	82
1964	2,964,760	18,580	734	774	384	200	72
1963	2,743,664	17,175	720	773	364	201	75
1962	2,617,525	16,653	696	755	361	199	70
1961	2,546,368	16,456	660	754	333	178	67
1960	2,346,627	15,358	636	720	333	178	72
1959	2,243,151	13,269	598	707	326	172	73
1958	2,188,506	12,982	641	692	319	170	65
1957	2,173,969	12,720	648	714	322	174	78

† Figures subsequent to 1962 exclude the Argentine subsidiary eliminated from the consolidated financial statements as of January 1, 1963.

						NET WELLS OWNED		
Development				Gross Wells Drilled	Non-Company Wells to Which Contributions Were Made	Oil (year end)	Gas (year end)	
Oil	Gas	Dry	Total					
475	181	181	1,107	1,725	551	16,406	3,749	
727	184	163	1,326	1,912	510	16,136	3,536	
699	170	132	1,339	1,892	471	15,581	3,333	
633	121	144	1,211	1,655	448	13,865	2,979	
737	141	141	1,239	1,642	622	13,532	2,824	
502	196	111	1,017	1,421	488	12,943	2,631	
589	74	104	963	1,416	640	11,571	2,387	
504	88	75	837	1,285	823	11,164	2,268	
340	98	65	690	1,011	715	10,872	2,193	
468	97	81	841	1,173	979	10,722	2,085	
						Natural Gas (millions of cubic feet per day)	Natural Gas Sold (millions of cubic feet per day)	
Total U.S.	Canada	Argentina	Iran	Other Foreign	Total			
405	38	—	32	16	491	2,533	2,427	
390	34	—	23	9	456	2,374	2,245	
365	30	—	2	8	405	2,186	2,109	
335	27	—	—	8	370	1,966	1,920	
315	26	38	—	3	382	1,834	1,807	
301	19	36	—	2	358	1,617	1,642	
289	13	20	—	—	322	1,577	1,636	
297	9	2	—	—	308	1,509	1,567	
278	7	—	—	—	285	1,348	1,422	
298	10	—	—	—	308	1,298	1,391	
				Crude Oil, NGL, etc., Purchased	Crude Oil Sold	TRANSPORTATION		
		Gasoline Retail Outlets Served (year end)				Pipelines Owned, Miles (year end)	Pipeline Traffic (million barrel miles)	
Other Products	Total	Company Owned or Leased	Other					
157	895	22,500	9,000	809	400	16,591	190,272	
145	840	23,100	8,900	757	368	16,645	178,587	
136	792	23,900	8,400	769	352	16,978	170,312	
130	770	25,100	7,900	764	345	16,844	170,976	
120	750	26,900	7,200	728	372	16,822	168,215	
109	687	27,900	7,600	706	350	17,543	170,957	
95	678	27,700	7,600	678	326	17,539	166,635	
90	661	28,400	8,600	650	325	17,609	155,332	
92	646	29,000	8,400	666	277	17,568	152,796	
89	663	29,900	7,700	717	342	17,366	156,451	

DIRECTORS

John E. Swearingen
Chairman of the Board

Robert C. Gunness
President

George V. Myers
Executive Vice President

Jacob Blaustein
President, American Trading and Production Corporation

Homer J. Livingston
Chairman, The First National Bank of Chicago

Lawrence A. Kimpton
Vice President

L. William Moore
President, American Oil Company

Richard J. Farrell
Vice President and General Counsel

Herschel H. Cudd
Vice President; President, Amoco Chemicals Corporation

L. Chester May
Vice President Finance

Logan T. Johnston
Chairman, Armco Steel Corporation

John S. Bugas
Vice President, Ford Motor Company

F. Randolph Yost
President, Pan American Petroleum Corporation

Joseph S. Wright
President, Zenith Radio Corporation

OFFICERS

Frank C. Osment
Vice President

Blaine J. Yarrington
Vice President

John T. Snyder, Jr.
Treasurer

Richard M. McGowen
Comptroller

Earl W. Russell
Secretary

EXECUTIVE CHANGES

Joseph S. Wright, president, Zenith Radio Corporation, was elected a director of the Company on March 16, 1966.

John E. Kasch and Richard M. Morrow were elected executive vice presidents of American International Oil Company, effective September 1. Mr. Kasch was formerly a vice president of the parent company, and Mr. Morrow a vice president of Pan American Petroleum Corporation.

Herschel H. Cudd was elected a vice president on January 18, 1967. He continues as president of Amoco Chemicals Corporation.

General Office

910 South Michigan Avenue, Chicago, Illinois 60680

Transfer Agents

The Chase Manhattan Bank, N. A.

One Chase Manhattan Plaza, New York, New York 10015

The First National Bank of Chicago

38 South Dearborn Street, Chicago, Illinois 60690

Registrars

First National City Bank

55 Wall Street, New York, New York 10015

Continental Illinois National Bank and Trust Company of Chicago

231 South La Salle Street, Chicago, Illinois 60690

Annual Meeting

The annual meeting of the Company's shareholders will be held on May 4, 1967, at the Whiting, Indiana, Community Center.

Shareholders will be sent a formal notice of the meeting, together with a proxy statement and proxy, on about April 1, 1967, at which time management will solicit proxies.

OUR MAJOR PRODUCTS IN THE U.S.A.

SERVING TRANSPORTATION

Gasolines — American Super Premium Gasoline • Amoco Super Premium Gasoline (unleaded) • American Regular Gasoline • American Aviation Gasoline • Standard Commercial Motor Fuel

Motor Oils — American Super Permalube LDO Motor Oil • Super Permalube Motor Oil • Permalube Motor Oil • Amolube Motor Oil • Artex Motor Oil • Amoco Motor Oil (100, 200, 300, MV) • American Outboard Motor Oil

Tires, Batteries, Accessories — Amoco 120 Super Premium Tire • Atlas tires, batteries, accessories

Jet Fuels — American Jet Fuel

Diesel Fuels — American Premier Diesel Fuel • Amolex Diesel Fuel

Chassis Greases — Super Permalube Grease • Amoco Lithium Multi-Purpose Grease • American Molyolith Grease • Stanolube HD Moly Grease

Transmission Fluids — Amoco Automatic Transmission Fluid

Gear Lubricants — American Multi-Purpose Gear Lubricant • Amoco Gear Lubricant

SERVING THE HOME

Furnace Oil

American Furnace Oil

Heater Oils and Kerosene

American Heater Oil

American Kerosene

Liquefied Petroleum Gas

SERVING FARM AND INDUSTRY

Many of the listed products are also used for farm and industry. A selection of others follows:

Anhydrous ammonia • Balanced fertilizers • Pesticides • Residual oils • Petrochemicals • Asphalts and road oils • Industrial oils and lubricants •

White oils, waxes, petroleum solvents, additives, petrolatums, and greases

UNITED STATES OPERATIONS

- ▲ Major areas in which company has production of crude oil and/or natural gas
- ★ Divisional Exploration and Production Offices
- Crude Oil Tank Farms
- Crude Oil Pipelines, Wholly Owned
- Crude Oil Pipelines, Partly Owned
- ▲ Operated Natural Gasoline or Cycling Plants
- Refineries
- Refined Products Terminals
- Products Pipelines, Wholly Owned
- Products Pipelines, Partly Owned
- Products Pipelines, Used but Not Owned
- Tanker Routes
- Barge Routes
- LP-Gas Pipeline, Partly Owned
- Chemical Plants
- Chemical Plants, Partly Owned
- ★ Regional Sales Offices

FOREIGN OPERATIONS

- ▲ Exploration
- ▲ Production
- Refineries
- Refineries Under Construction
- Chemical Plants
- Chemical Plants Under Construction
- Marketing

